

**Puget Sound Partnership Performance Management System
Tech Memo Outline
October 1, 2009**

Sections:

Cover letter

- Purpose of the memo: describe at a conceptual level how PSP will work together with implementers to account for and accelerate progress on the 2020 goals in order to report to the public, the governor and the Legislature. This is “how” PSP will do it.
- Audience for the memo
 - Performance management experts
 - Customers for the Performance Management System: Legislature, OFM, JLARC and other funders/authorizers (EPA and others)
 - Participants/contributors to the Performance Management System: implementers of actions, monitoring and science activities tracked through the system so they can comment on ability to align with the proposed framework
- Questions for reviewers

Part I Describing the PSP Performance Management Framework

Rationale:

- Goals set in statute, public interest clear: this is a conceptual approach to HOW to reduce fragmentation and lack of coordination in the Puget Sound clean up effort by organizing around results
- Allows decision makers to drive resources to the highest priority results and strategies in the Action Agenda (the inversion theory)
- Approach to share across the Action Agenda: state, federal, local, tribes, NGOS and others can participate, inform, and improve in a systematic and coordinated way
- Explicitly coordinates science and monitoring information with making decisions about actions and allocation of resources

The Framework

The Puget Sound Partnership proposes to adapt Governor Gregoire’s Management Framework as well as steps in the “Open Standards for the Practice of Conservation” to build its performance management system. The basic elements of the framework involve the following steps the incorporate building the Action Agenda, driving resources to Action Agenda priorities through the budget process, accounting for progress with data and responding to the analysis of the scientific, financial and

performance data with changes to the Action Agenda and continually improved results on 2020 goals.

**Plan → Allocate→Manage→Analyze→Respond→Improve→Results
(and repeat)**

Define Performance Management

- **Performance management** is an ongoing, systematic approach to improving results through evidence-based decision-making, continuous organizational learning, and a focus on accountability for performance. Performance management is integrated into all aspects of an organization's management and policy-making processes and transforms an organization's practices so that they are focused on achieving improved results for the public.
- Combines continuous quality improvement, adaptive management and accountability for performance
 - **Continual improvement:** the formal process of enhancing performance over time. It is the systematic practice of developing plans with performance standards, tracking and reviewing actual performance, and using information to improve actions over time.
 - **Adaptive Management:** incorporates research into actions. It is the integration of design, management and effectiveness monitoring to systematically test assumptions in order to adapt and learn (Salafsky et al. 2001). Explicit commitment to reduce uncertainty over time; it is resource management informed by research and monitoring. (Manley, et al, 2000)
 - **Accountability:** the act of answering publicly to the citizens for responsibilities and funding entrusted to a government official, agency or other entity.

Performance Management is not the same as Performance Measurement

Defining measures and collecting data is not the full scope of a performance management system. The Performance Management System uses measurement and other data to systematically improve decisions all for the purpose of achieving results.

Principles of the Puget Sound Partnership Performance Management System

A mature performance management system will influence the day-to-day operations and procedures of PSP itself and other participants in implementing the Action Agenda to reflect the following principles. All organizations have a means to plan activities, allocate funds, and report on what they do. These traditional practices of planning, budget and reporting functions are not usually connected to each other or aligned to the same set of results. Application of these principles to ongoing operations of agencies will require a change in culture. Organizations already

grounded in performance management principles will need to orient to shared results in the Action Agenda and not just agency specific outcomes.

- Results on achieving 2020 goals are the focus of all decisions and strategies related to implementing the Action Agenda.
- Leadership from the Leadership Council as well as from all involved in the Action Agenda is critical to effective use of performance management
- Goals and measures will be relevant to what the public, the Legislature and the Governor care about and want to achieve.
- Information, decisions, and processes related to the Action Agenda are transparent (easy to access and understand) to stakeholders. Science is communicated to a non-technical audience.
- Goals, programs, activities, and resources are aligned with mission, priorities, and desired results. Accountability that funds allocated are best invested to advance results. (Clear line of sight between outcomes to funding)
- Decisions and processes are driven by timely, accurate, and pertinent data.
- Science information and monitoring data must be provided on a schedule and in a format that meets the needs of the performance management system and can be interpreted and used by non-technical decision makers.
- Processes are sustainable over time and across organizational changes; not dependent on personalities. (documentation and clear communications)
- Performance management transforms the Action Agenda, its management, and the policy-making process: it will require a change in the culture of PSP, other implementers and the clean up effort itself.
- The PSP Performance Management System will align with existing financial, reporting and data collections systems where it supports a focus on 2020 results.
- Engage in a quality, open conversation about the issues to solve problems and move ahead: have the right people, the right facts and information with leadership to set the constructive tone for publicly reviewing progress. Provide incentives for open, honest reporting and discussions.
- Relentless follow up on results to ensure improvement is essential.

Elements of the Puget Sound Partnership Performance Management System

PSP will adapt the elements of Gregoire's Framework to the Action Agenda. The elements will guide the development of the Action Agenda and its revisions as well as the approach of agencies and other implementers committing to contributing to results on the Action Agenda. Set of steps to be tailored to each organization to allow for coordination.

Each element describes the steps required to manage actively for results and improved performance. The critical elements that must be present to make a claim to be managing for performance include goals with defined measureable results, a set of actions with logical linkages to show how they will deliver results and a

decision making body that can evaluate progress and recommend continuing, modifying or stopping the implementation of an action.

Plan:

PSP: Adopt and update the Action Agenda, vision and mission

State Agencies: Update Strategic Plans beginning spring 2010 to align with Action Agenda goals and results for 2020

- Define geographic or thematic scope of plan (Action Area? Oil spill response?)
- Translate statutory goals to specific, measureable environmental outcomes
- Identify, rate and rank threats to the desired outcome/component
- Identify and rank strategies and actions to achieve the results (results chains)
- Assess best choice to implement actions/strategies (capacity)
- Understand how this plan relates to the Action Agenda performance framework and measurement framework: align
- Set status indicators and performance measures for environmental and human outcomes, intermediate and short term outcomes to measure progress
- Set targets and benchmarks for 2020 goals

Allocate Resources:

PSP aims to influence budget decisions to drive resources to best set of strategies for achieving the Action Agenda.

- Submit ranked order of strategies and activities to PSP for incorporation in the revised Action Agenda.
- PSP aligns proposed activities and strategies with prioritized environmental outcomes/targets using results chains
- Set biennial benchmarks for approved near term actions
- PSP defines plan to monitor, collect indicator/performance measure data
- Negotiation between implementers and PSP through the ranking process
- Communication of endorsed Near Term Actions, review of agency budget requests submitted to the Governor.
- Budget decisions reflect alignment to Action Agenda
- Implementers dedicate resources to the Near Term Action to achieve expected results.
- Implementers plan monitoring to collect data

Manage Commitments by Implementers: implement and monitor

PSP aims to identify the capacities in the region to best implement different strategies in the Action Agenda so the most effective, efficient approach determines the assignments of responsibilities to carry out the Action Agenda.

- PSP connects desired environmental and human dimension outcomes with each funded and active near term action.
- PSP identifies strongest alliance of implementers to lead and coordinate a near term action to achieve intended results.
- PSP negotiates and confirms biennial performance measures with implementers
- Implementers improve how they approach a near term action, seek better results with limited resources, actively manage
- Implementers track data and spending
- Implementers report monitoring, performance and financial data

Analyze Progress

- Prepare data for analysis that will influence decisions
- Ask questions of the data about progress and trends in performance relevant to improving actions to drive results (strategic questions, just the right data)
- Identify successes, surprises, gaps in information
- Present to decision making group and stakeholders
- Engage experts, implementers and stakeholders in exploring issues and solutions

Respond: make decisions and take action

- Leaders ask key questions about progress: how are we doing? What do we need to do better or differently?
- Identify lessons or changes to assumptions in results chains
- Revise approach to near term action to advance results
- Develop action plans to correct for missed benchmarks or target
- Plan to follow up on action plans, set date

Improve

- Update results chains to reflect new evidence/data
- Update assessment of capacities for implementation based on performance
- Adjust targets, actions, strategies or implementers to most effectively achieve 2020 results in light of new information
- Improve collaboration among implementers working toward shared goals through intervention form PSP.
- Improve systems, processes and infrastructure supporting Action Agenda implementation.
- External evaluations by JLARC and the Washington Academy of Sciences

Communicate Results and Listen

- Communicate progress against 2020 goals (State of the Sound, performance management webpage, periodic reports on special topics, financial reports)
- Conduct regular, public forums to address results and progress on achieving them by strategy, local area or theme.
- Recognize successes (partner designation)
- Document learning, improved science as the basis for assumptions

- Engage with stakeholders, the scientific community, tribes and others in open discussion about improving the implementation of the Action Agenda and the culture supporting it.
- Take up issues relevant to the 2020 goals brought to PSP by stakeholders or the public: strategic choice of where to place PSP attention

Benefits and expected results of the PSP Performance Management System

A set of principle driven methods, processes, functions and roles to support accountability, adaptive management and continuous improvement

- Common goals and expectations
- Improvement of management efficiencies at PSP, in and between implementers' organizations
 - Alignment of existing plans to Action Agenda results
 - Clarity in responsibilities, timelines and expectations
- More cost-effective results
- Improved focus on key policy and budget decisions driving progress toward achieving 2020 goals
- Better (more informed) decisions
- Inclusion of external partners in an integrated performance management system that help PSP achieve its mission
- More effective and consistent integration science and monitoring in making decisions

Part 2 Requirements to Implement and Sustain Performance Management

[insert graphic of performance management cycle and improved capacity]

Enlist Leadership support to initiate the Performance Management System

Communicate the plan for building the system

Define the processes to support each element

- Planning process
- Budget process
- Measurement process
- Accountability process: reporting results and answering questions
- Process to collect, store and manage data
- Process to analyze, review and report/synthesize data for decision makers
- Processes to use data to drive improvement
 - In ongoing activities, mid-biennium
 - In the Action Agenda or any nested plans
 - In the collaboration between entities
 - In PSP

Engage stakeholders, ensure clear understanding of PSP's direction and plan

Put adequate resources in place to initiate the Performance Management System

- Performance management expertise
- IT infrastructure and expertise
- Tools and guidelines to support each element (planning, budget instructions, etc.)
- Champions to support Performance Management in the science, policy and practitioner communities across salmon and other topical areas.

Change and adapt as the Performance Management System is implemented. Resources and leadership to manage the effort to change systems and traditional practices across agencies and organizations.

Next Steps

- Action Agenda
 - Q1/Q2: Components/Goals and threats
 - What is healthy? Status report through Goals
 - What are the threats? Threat rating and ranking
 - Q3: What do we need to do?
 - Define ultimate results: threat reduction
 - Develop results chains to explore, define what is needed to reduce the threat
 - Q4: What are we doing first?
 - Near Term actions
 - Assign leads
 - Follow the money
 - Define the near term results for accountability
 - Attach to shared threat reduction result
- Open Standards applied to the regional scale, entire PS
 - Crosswalk components to leg goals through Key Attributes
 - Run select set of indicators selected by SP through viability analysis
 - Get current status
 - Propose “What is healthy?” targets where possible
 - Rate and rank threats (Q2)
 - Identify uncertainties
 - Recognize limitations, first run through
 - Plan to revisit and engage full science/info.
 - Organize AA by threats addressed
 - Develop Results chains with work groups to show “theory of change”
 - Use mature chains to Propose threat reduction objectives
 - Draw some conclusions about Stop/Go/Modify/Add.
 - Identify where funding has gone to NTAs, align the \$ with the threats
 - (Rough alignment of Goals/threats/strategies/Actions, all informs allocation of resources, influences science priorities)
- State of the Sound

- Publish the reorganization of the AA, as it is at the time of release
- Present path forward with results achieved so far
- Seek feedback on PM system
- Post Nov. 1
 - Status report: integrated set of indicators, based on Key attributes with status and target values for what is healthy.
 - Threats:
 - Improve scientific basis for rating
 - Run a process to engage the right minds
 - Seek Science Panel review or peer review
 - Vet with ECB, SP and LC
 - Adopt as the basis for prioritization discussions around revision of AA in 2010.
 - Rank
 - Begin process to rate at the local levels and address relative ranking locally to PS wide perspective
 - Set Threat Reduction Objectives
 - Results chains
 - New sets of ranked actions
 - Improved scientific basis for actions
 - Input into to discussions of the next budget cycle by spring 2010 at the latest
 - Make NTAs measureable
 - Negotiate for 2009-11 based on funding and outputs
 - Tie to threat reduction measures where available
 - Define scope of work and measures
 - First data as of June 30, 2010